The Tramway Workshop is proposed to be developed on business lines and provision has been made for purchase of a few items of good labour-saving machinery.

Others are only continuation of the existing schemes.

Food.—As in the rest of India, the food situation is not satisfactory owing to circumstances beyond human control. The Governmet of India are trying their best to allot to us as equitable a quota as possible. The only solution within our sphere is to grow more and more food by intensive cultivation by applying manure, by bringing more lands under cultivation with the aid of irrigation facilities and the like. The Chalakkudi and Peechi Schemes could not be prosecuted this year owing to various difficulties and these are again provided in the hope that suceessful execution of these useful works would not be delayed further and more food would then be available in the State itself.

A Financial Review and a Forecast.—Even though there is no reason to doubt the financial stability of the State, yet it has to be frankly stated that the insistent demands for numerous developments, undoubtedly essential for the progress of the State, are outrunning our available resources, most of which are inelastic by their very nature at present. Again, it will not be very wise to bank upon the accidental boom under Abkari and Tobacco as a solid foundation to build the superstructure of the State and added to this is the prohibition already started. This boom is bound to disappear with the return of even quasi-normal conditions; but there is the consolation that the shrinkage in Abkari returns will be compensated to a great extent by the withdrawal of War allowances and of the Food department itself. In order that there may not be any relaxation in our efforts at the improvement of the material and moral progress of the people we have been constrained to tap new sources of revenue and to draw upon ourselves. The level of our taxation is still lower than in other States; nevertheless our State stands second to none and can bear comparison in any sphere with other progressive States and Provinces. Government are fully aware of the need for industrialisation and starting of large capital schemes alongside of the development of cottage industries. The return from the former can be expected to supplement our revenues and give employment to our people. Cheap power is a pre-requisite for development of industries—whether small cottage industries or the large scale ones—and we are therefore prosecuting the Poringalkuthu Hydro-Electric Scheme with as much speed as possible. Our Railway and beautiful Harbour with a few flourishing industries fed by the natural resources of the State are sure to bring us more and more returns to meet our growing needs and requirements in times to come; but in these days of transition with unrest convulsing the world, with inflation still threatening us, and with the working of all Industries and Commerce in confusion everywhere we have to pause cautiously and proceed with wary steps till the enshrouding gloom disappears. To repeat again, our financial position is quite sound but we have to be cautious in regulating expenditure to conserve our energies and this is what the Government are doing to their utmost.

Cranganur

The administration of Cranganur as a separate unit continues to baffle us. With inelastic sources of income but with a standard of administration at the sume level as the State in all directions—education, medicine, public works, etc.. the problem of balancing her budget is difficult. The question of amalgamating her budget with that of the State is engaging the consideration of the Government.

The ensuing year happily shows a nominal surplus of a few thousands of rupees, thank to the new taxation measures and the increased rentals of Excise shops.

Conclusion

Sir, I have done. I have tried my best to explain the main features of the Budget in as lucid a manner as possbile and it only remains for me to commend these proposals to the House for their kind acceptance.

7. DEMANDS FOR SUPPLEMENTARY GRANTS

(1) 21—Education—5—Primary Boys

Mr. P. Govinda Menon *(Minister for Food and Education):* I move for an additional grant of Rs. 53, 995 under "21—Education—5—Primary Boys—Contribution to Dearness Allowance (Aided Schools)". As the House is aware, the fee collection from the preparatory classes was stopped a few months ago, but simultaneously aid was not allowed to unaided schools. Since Government thought it was not proper to leave the preparatory classes unaided, it was decided to give them aid. With the grant of aid to the preparatory classes, it became necessary

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